

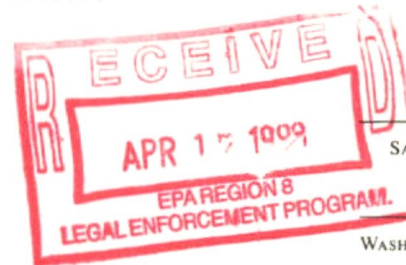
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April 15, 1998



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SETTLEMENT COMMUNICATION

Andrew J. Lensink, Esq.
Enforcement Attorney
Ms. Bonnie Lavelle
Project Manager
United States Environmental Protection Agency, Region VIII
999 Eighteenth Street, Suite 500
Denver, CO 80202-2466

Re: **Sandy Smelters Site**

Dear Andy and Bonnie:

During one of our last conversations I indicated to you that as we look to completion of work at the Sandy Smelters Site, Asarco's preference is that any work it conducts be pursuant to a Consent Order or Consent Decree. You expressed the concern that the negotiation of an appropriate Consent Order might take too much time. In order to demonstrate that such negotiations would likely be very quick, I have taken the liberty to draft an appropriate Consent Order. A copy is enclosed.

I modeled this Consent Order on the one that the parties executed in connection with the original removal action at the Sandy Smelters Site. It has been updated to reflect the activity that has gone on at the site since 1994 and now includes both a Covenant Not to Sue and contribution protection, as we understand that the parties intend that this next round of removal actions will complete the remedy for the site. I believe that we could finalize this Order in one meeting of the parties.

Asarco also remains open to the possibility of EPA conducting this final removal action in its entirety and Asarco cashing out for its share. Please let us know if you would like to pursue a discussion along this line.

Andrew J. Lensink, Esq.
Ms. Bonnie Lavelle
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ATTORNEYS

Asarco remains willing to proceed with discussions looking to the completion of work at this site at your earliest convenience. If you have any questions or would like to discuss the Order, please give me a call.

Very truly yours,



Michael R. Thorp

Enclosure

cc: Don Robbins
Jim Fricke
Bill Hart

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